



## Commentary

**Steven M. Moser MD**

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Last week the Hawaii House of Representatives passed across to the Senate a budget bill HB 1800 that includes a \$11M cut in funding for the Hawaii Health Systems Corporation (HHSC). Once again, as it has done many times in the past, the legislature threatens to jeopardize the health and welfare of the people of Maui and our many visitors. As the outgoing Medical Director of our "safety net" hospital for the last two years, I can say categorically that if this funding is not reinstated, not only will we be unable to expand services as we have been planning to do, but we will need to cut some services and severely restrict others.

Historically, when the state took the hospital over from the county over 30 years ago, it assumed full responsibility for the health and welfare of the people of Maui in terms of hospital care. It was clearly not up to the job: because of the gross inefficiencies of trying to run local hospitals (ours is one of 12 state-run health care facilities) with a massive state bureaucracy, the legislature in 1996 established the HHSC as a quasi-public corporation to manage MMMC (along with the 11 other facilities). However, Act 296 was born bearing the seeds of failure: from the start the HHSC was underfunded to deal with the antiquated and dilapidated condition of many of its buildings; it maintained a Honolulu-centric civil service system of employment with collective bargaining done at a state level; it centralized budgetary and decision-making with the HHSC Board and CEO, with Maui Memorial still at their mercy.

Despite all of these problems, our hospital has continued to provide good service to our community. We have the 2<sup>nd</sup> busiest ER in the state. We handle all serious medical conditions except neonatal intensive care, interventional coronary procedures, transplantations and other highly specialized treatments. We have just opened the finest angiography unit in the state. We routinely do well in many outcome measures of performance when reviewed by national quality assurance organizations. We are in the process of redefining ourselves by establishing service lines for cardiology, oncology, surgery, and women's and children's services. We are restructuring our medical staff to improve efficiency and peer review, and are very close to starting construction on a new wing using a hard-fought \$38M capital improvement bond. In short, we are on the verge of great things, and are trying to be progressive in a regressive time.

And yet, because of apparent political considerations, all the work we have done is in jeopardy. Like a house of cards, we on Maui

are in danger of collapse as our operational underpinnings are being removed. There are many in the legislature who don't trust the leadership of the HHSC, and want to punish it by cutting its funding. They think that the HHSC is being "wasteful" with its expenditures, and apparently don't know how to read a financial statement, if we are to believe yesterday's article in which Mr. Driskill, CEO of the HHSC, points out that they mistakenly think HHSC has been "hiding" \$15M. We need to remind these legislators, and the public, that MMMC does not, in and of itself, depend on state general funds. MMMC usually makes a small profit, ie, it collects enough money from third party insurances to pay for its operational and some CIP expenses, and is the only state hospital in Hawaii to do so. We would probably always be profitable were it not for the funds that we pay HHSC to administer us from Honolulu.

Why is the HHSC not more profitable? Because hospitals, MMMC included, do a lot of "free" care for the uninsured and under-insured; because reimbursements from Medicare and Medicaid, as well as HMSA are always being reduced; because we are mandated to pay salary increases for our union employees given by the legislature and for the recent market losses of their expensive pension plan without consideration for our ability to pay. Also, the practice of medicine is continually changing with the advent of new technologies, new equipment needs, and new drugs, not to speak of routine supplies which cost more and more. It is all expensive, but all necessary to maintain quality of care and stay current. Some of our facilities are 50 years old and should be replaced. This takes state moneys...it cannot come out of hospital revenues which barely keep up with day to day operations.

The legislators who dare to talk about their reasons for cutting us are under the false impression by "raising our special funding ceiling", they are somehow allowing us to spend more. They mistakenly assume that we can just raise our prices, charge more and collect more revenue. We can't...we are at the maximum reimbursements allowed by law. In fact, the cuts they propose will have the opposite effect: we will become rapidly less profitable as we lose business to Honolulu or encourage competing entities on Maui.

The cuts proposed by the legislature will have some or all of the following effects: loss of child and adult psychiatric inpatient services, loss of orthopedic inpatient services (and therefore trauma services), decreased staffing levels for all clinical services, inability to fund many projects in the works (such as ER renovations, upgrading endoscopic and inpatient dialysis services, upgrading information

technology systems, health and safety repairs and upgrades, etc), and cutting leadership positions. Service line development will be retarded. Recruitment of qualified staff and talented physicians to our hospital will be jeopardized. Good nurses and clinicians, unable to perform to their potential, will leave. And so will you, the patients...you will be flying to Honolulu to get the quality of care you need and deserve. From being the only profitable hospital in the system, we will lose market share and join the rest of the HHSC facilities swimming in red ink.

Thirty years ago, the state assumed the ongoing responsibility for assuring that our hospital care meets the minimum requirements of care. At this moment, the legislature, for reasons of political infighting, seems to have forgotten that cardinal responsibility. We are being "punished" along with the HHSC by the legislature. The legislators, some of whom are our own representatives, don't seem to understand how we operate, what we need to get the job done, and what effect their vindictiveness and short-sightedness (I can't believe they don't know how to read a balance sheet) will have on us here at the local level. Either they provide for us, or they should get out of the hospital business and allow this hospital to go on its own, or allow another to be built by private concerns. Or at least anesthetize us before they use the axe (when we run out of scalpels).

Why is this so hard? Is Hawaii really such poor state that we can't afford to give excellent health care to our residents and visitors? Vancouver charges a \$10 exit fee to fund its airport. We could do the same for visitors leaving our airports and raise \$40M a year to fund not just our hospital's crying needs, but other infrastructural necessities as well. An old idea to be sure, but isn't time to try something that would work?

*Editor's Note:*

*Steven M. Moser, M.D. is a nephrologist on Maui and has served as Medical Director of the Maui Memorial Hospital. The name Moser should be very familiar to Hawaii physicians. His father Robert practiced internal medicine on Maui for many years and then became the Executive Director of the American College of Physicians. Bob Moser now lives in Green Valley, Arizona.*

*This commentary appeared as a column, "Island Voices" in the Honolulu Advertiser. Steve, mahalo for permitting us to reprint this in the Hawaii Medical Journal as a commentary. He can be reached at [Moser@maui.net](mailto:Moser@maui.net) or at 135 S. Wakea Street, Suite 105, Kahului HI 96732.*

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and Queen Liliuokalani and mother of Princess Kaiulani, she died of unknown causes. Pediatrician and NHCOE Fellow **Kelli-Ann Noelani Frank Voloch MD** emphasizes the importance of addressing spiritual and psychological, as well as physical, needs of patients. *December's* choice, **Elizabeth Keawepo'ooleinamoku Sumner Achuck**, lady-in-waiting to Princess Likelike, composed the beloved song *Sanoe* with the future Queen Liliuokalani. She died of diabetic complications. Cultural expert **Nalani-Alua Olds** treasures her great-grandmother's legacy of musical talent and compositions.

NHCOE's 2004 *Hawaii Medical History Calendar*, like those in prior years, is a treasure trove for anyone interested in delving more into Hawaii's history. Perhaps next year's calendar will include a sketch of NHCOE Director **Benjamin B. C. Young MD's** many contributions: he was crew member on the 1976 maiden voyage of the *Hokulea*, has recorded a CD of Irish folk songs, and is the first *kanaka maoli* to have become a psychiatrist! Mahalo, Ben, for this outstanding calendar!

Call NHCOE for further information about the calendar at (808) 956-5826, Facsimile (808) 956-6588.

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left uncompleted, a great loss to his readers. Although well known to his family, friends and colleagues we will not have his particular insight and literary statement of that period of his outstanding life. What we do have is a synopsis in the form of his retirement speech to the physicians of Straub Clinic June 26, 1995, a witty and insightful snapshot of medical practice at one of the premier clinics and hospitals of Honolulu, Hawaii.

I strongly recommend this book not only for a medically oriented reader but for a general readership. I am grateful for the family members who urged him to write down the stories that he had told them and for the fact that he did what they asked and for the editors who were responsible for making this delightful book available to us all.